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6 **UNITED STATES BANKRUPTCY COURT**
7 **CENTRAL DISTRICT OF CALIFORNIA**
8 **LOS ANGELES DIVISION**

8 In re:) Lead Case No.: 2:17-bk-21386-SK
9 ZETTA JET USA, INC., a California) Chapter 7
corporation,) Jointly Administered With:
10 Debtor.) Case No.: 2:17-bk-21387-SK

11 In re:) **OPPOSITION OF CAVIC AVIATION**
12 ZETTA JET PTE, LTD., a Singaporean) **LEASING (IRELAND) 22 CO. DAC TO**
corporation,) **CHAPTER 7 TRUSTEE'S MOTION**
13 Debtor.) **FOR ORDER APPROVING**
14) **JETCRAFT/FK DEFENDANTS**
15) **SETTLEMENT AGREEMENT [DKT.**
16) **NO. 1995]**

16 Date: February 15, 2023
17 Time: 9:00 am pst
18 Place: Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

21 Judge: Honorable Sandra R. Klein,
22 United States Bankruptcy Judge

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25 **OPPOSITION OF CAVIC AVIATION LEASING (IRELAND) 22 CO. DAC TO CHAPTER 7**
TRUSTEE'S MOTION FOR ORDER APPROVING JETCRAFT/FK DEFENDANTS
SETTLEMENT AGREEMENT [DKT. NO. 1995]

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OPPOSITION TO MOTION FOR ORDER APPROVING JETCRAFT/FK DEFENDANTS

SETTLEMENT AGREEMENT

CAVIC Aviation Leasing (Ireland) 22 Co. DAC respectfully submits the following memorandum in opposition to the *Chapter 7 Trustee's Notice of Motion and Motion for Order Approving Settlement Agreement by and Among the Chapter 7 Trustee and Jetcraft Corporation, Jetcraft Global, Inc., Jetcoast 5000-5 LLC, Orion Aircraft Holdings Ltd., Jetcraft Asia Limited, FK Group Ltd, FK Partners Limited, and Jahid Fazal-Karim* (the "Settling Defendants") [Dkt. No. 1995] (the "**Motion**").

CALI, as a creditor in the Zetta Jet cases and as a potential future party to the Litigation¹ opposes, as procedurally and substantively defective, the Trustee's request to enjoin all parties to the Chapter 7 Cases and all current or future defendants in the Litigation from "from seeking contribution or indemnity in any respect from the Settling Defendants on account of claims asserted in the Litigation." (Settlement, ¶ 1; the "**Claims Bar**"). As discussed in the BAC Opposition filed contemporaneously herewith,² the Trustee's Motion must be denied because:

1. Fed. R. Bankr. P. 7001 requires injunctive relief to be sought by complaint;
2. The Trustee seeks to impose a Claims Bar on all creditors of these Chapter 7 Estates without providing due notice in violation of fundamental due process;
3. The Ninth Circuit applies the Restatement (Second) of Conflict of Laws to determine applicable substantive law, not California choice of law principles;

¹ The terms not defined in this Opposition have the same meaning as those terms defined in the Motion.

² CALI adopts and incorporates by reference the Opposition of Bombardier Aerospace Corporation, Bombardier, Inc., and Learjet, Inc. (the "**BAC Opposition**") to the Trustee's Motion For Order Approving Settlement Agreement with Settling Defendants.

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4. The requested Claims Bar vastly exceeds the scope of Cal. Code Civ. P. §§ 877 and 877.6 which apply only to claims based on “equitable comparative contribution ... comparative negligence or comparative fault.” (Cal. Civ. Proc. Code § 877.6(c));
5. The relief provided by Cal. Code Civ. P. §§ 877 and 877.6 extends only to joint tortfeasors claimed to be liable in a single action and, by clear and unambiguous statutory language, the Trustee cannot bind non-parties to the *Jetcraft* Adversary;
6. The Trustee has not and cannot satisfy the seven factors this Court must consider when making the “good faith” determination required under California law (See *Tech-Bilt, Inc. v. Woodward-Clyde & Associates*, 38 Cal. 3d 488, 499 (1985));
7. In an action seeking more than \$200 million from all defendants, the Trustee has not and cannot show that the proportionate liability of the Settling Defendants is only \$9.5 million; and
8. Nothing in the Motion, the Mediator’s Report, or the King Declaration provide “a rough approximation of plaintiffs’ total recovery and the settlor’s proportionate liability” as required under *Tech-Bilt* and other cases considering the seven factors in connection with a “good faith” determination.

WHEREFORE, CAVIC Aviation Leasing (Ireland) 22 Co. DAC respectfully requests that the Trustee’s Motion be denied.

Dated: December 21, 2022

HOLLAND & KNIGHT LLP

By: //s// Kristina S. Azlin

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